

~~S~~
~~E~~ ~~R~~ ~~E~~ ~~T~~

[REDACTED]

DATE 20 MARCH 1972

INDEX NONE

FILM NONE

TO CHIEF, WESTERN HEMISPHERE DIV

INFO NONE

FROM CHIEF OF STATION, SANT IAGO

SUBJECT [REDACTED] PROGRESS REPORT

ACTION NONE

[REDACTED]

GENERAL:

1. THE NEED FOR SEPARATE [REDACTED] PROGRESS REPORTS HAS IN PART BEEN OBIATED BY THE [REDACTED] REQUIREMENT FOR [REDACTED] REPORTING ON GENERAL [REDACTED] DEVELOPMENTS. ALL OF THE OPERATIONAL HIGHLIGHTS SINCE THE LAST [REDACTED] PROGRESS REPORT HAVE BEEN REVIEWED IN THE REPORTS PREPARED FOR [REDACTED] THIS REPORT THEREFORE WILL NOT ATTEMPT TO RE-STATE THE MATERIAL PREPARED FOR [REDACTED] PRESENTATION, BUT WILL DEAL PRIMARILY WITH OPERATIONAL DETAIL USEFUL TO HQS IN PREPARING THE [REDACTED] PROJECT RENEWAL.

2. THE OBJECTIVE OF THE [REDACTED] PROJECT CONTINUES TO BE ONE OF PROVIDING SUPPORT, BOTH FINANCIAL [REDACTED] TO THE CHRISTIAN DEMOCRATIC PARTY (PDC) AND THEREBY INSURING THAT IT REMAINS A VIABLE OPPOSITION PARTY AND POLITICAL ALTERNATIVE TO POPULAR UNITY GOVERNMENT. THE STATION HAS BEEN ENGAGED IN PROVIDING [REDACTED] FINANCIAL SUBSIDIES TO THE PDC SINCE EARLY

~~S~~
~~E~~ ~~R~~ ~~E~~ ~~T~~

PAGE 1

[REDACTED]

~~SECRET~~

PAGE 2

NOVEMBER 1971, WHEN [REDACTED] GAVE ITS APPROVAL FOR A PROGRAM OVER A ONE-YEAR PERIOD. THE [REDACTED] PROJECT ALSO ENABLES STATION TO MAKE KNOWN [REDACTED] CERTAIN [REDACTED] VIEWS AND POLITICAL ATTITUDES ON BASIC POLITICAL ISSUES.

3. STATION FINANCIAL SUPPORT TO THE PDC HAS ENABLED THE PARTY TO SUCCESSFULLY CHALLENGE THE GOVERNMENT IN SEVERAL ELECTORAL CONTESTS AT VARIOUS POLITICAL LEVELS. MOST IMPORTANT RECENTLY WERE THE JANUARY BY-ELECTION RACES IN WHICH THE OPPOSITION CANDIDATES, [REDACTED] READILY DEFEATED THE GOVT REPRESENTATIVES. THE RESULT OF THESE ELECTORAL CONTESTS AGAINST THE GOVT, PLUS THE GOVT'S OWN STEPPED-UP ATTACKS ON THE PDC, HAS MADE THE PARTY MORE FIRMLY COMMITTED TO ITS OPPOSITION ROLE. PARTY SOLIDARITY HAS IMPROVED AND PROSPECTS OF FURTHER SPLITS IN THE PDC RANKS HAVE DIMINISHED. DURING THE JANUARY ELECTIONS THE PDC DEMONSTRATED THAT IT CAN, GIVEN APPROPRIATE POLITICAL CONDITIONS, COOPERATE AND WORK CLOSELY WITH THE NATIONAL PARTY.

OPERATION:

4. [REDACTED]
[REDACTED] THERE HAVE BEEN SEVERAL KEY POLITICAL EVENTS WHICH HAVE INFLUENCED THE DIRECTION AND NATURE OF THE PDC. BRIEFLY SUMMARIZED, THEY ARE AS FOLLOWS:

A. THE DECEMBER WOMEN'S MARCH IN WHICH PDC MEMBERS PARTICIPATED AND GAVE SUPPORT;

B. THE 16 DECEMBER RALLY IN THE NATIONAL STADIUM WHICH THE PDC EXPLOITED FOR PARTISAN PURPOSES, BUT AT SAME TIME SOUGHT SUPPORT OF ALL OPPOSITION POLITICAL ELEMENTS;

C. THE PDC-SPONSORED CONSTITUTIONAL ACCUSATION AGAINST MINISTER OF INTERIOR TOHA, WHICH LED TO HIS REMOVAL AND

~~SECRET~~

PAGE 2

~~SECRET~~

PAGE 3

REAPPOINTMENT BY ALLENDE;

D. THE SUCCESSFUL JANUARY BY-ELECTION CAMPAIGNS AND THE STIMULATING EFFECT OF THEIR OUTCOME; ALSO POSITIVE EFFECT DERIVED FROM PDC AND PN PROVIDING MUTUAL SUPPORT TO OTHER PARTY'S CANDIDATE;

E. GOVT DECISION TO MAKE PUBLIC THE TOMIC DEBT OWED TO BANCO DEL ESTADO AND INITIATE CRIMINAL PROCEDURES AGAINST TWO FORMER PDC OFFICIALS OF THE BANK; INTERNALLY THIS HARASSMENT HAS HAD STRENGTHENING EFFECT ON PARTY;

F. RECENT PDC CONVERSATIONS AND POLITICAL OVERTURES² TOWARD THE INDEPENDENT RADICAL PARTY (PIR) AND PDC CONCEPT OF RECONSTITUTING THE POLITICAL CENTER OF CHILE; AGREEMENT TO MODIFY LAW PROHIBITING POLITICAL PACTS BETWEEN PARTIES WILL EFFECT PDC EFFORTS TO REACH AN ACCORD WITH PIR CONCERNING 1973 CONGRESSIONAL ELECTIONS.

G. [REDACTED] FINANCIAL SUPPORT ENABLES THE PDC TO MAINTAIN ITS MEDIA OUTLETS, [REDACTED]

[REDACTED] THE PDC HAS ALSO CREATED A MEDIA COORDINATION BOARD WHICH DETERMINES POLITICAL AND PROPAGANDA THEMES. THESE ARE COORDINATED BETWEEN THE PARTY'S MAJOR MEDIA OUTLETS AS WELL AS THE SEVERAL PROVINCIAL RADIOS AND NEWSPAPERS TO WHICH THE PDC HAS CONTRACTED ACCESS.

H. THE PDC CONTINUES TO IMPLEMENT ITS PLAN FOR INTERNAL PARTY REORGANIZATION, AND TO MOVE FORWARD WITH ITS IBM MEMBERSHIP PROCESSING PROGRAM [REDACTED]

I. IT NOW APPEARS THAT PDC PLANS TO INITIATE SERIOUS EFFORT

~~SECRET~~

PAGE 3

...BUREAUCRACY. THE SYSTEMATIC GATHERING AND UTILIZATION OF SUCH
READILY AVAILABLE POLITICAL AND ECONOMIC INTELLIGENCE SHOULD
BE OF CONSIDERABLE VALUE TO THE PDC.

8.

PERSONNEL:

9.

10.

SECRET

Page (s) 546

DENIED IN TOTO

SECRET

PAGE 7

[REDACTED]

18. STATION SUPPORT TO THE PDC, INCLUDING THE AMOUNT OF SUCH SUPPORT, IS A MATTER THAT HAS BEEN COORDINATED WITH THE AMBASSADOR AND THE DCM. BOTH ARE AWARE OF STATION CONTACT

[REDACTED] ALTHOUGH NOT WITH [REDACTED]

FUTURE PLANS:

19. DURING THE COMING FISCAL YEAR OF THE [REDACTED] PROJECT WILL IN LARGE PART BE DEVOTED TO THE NATIONWIDE CONGRESSIONAL ELECTIONS TO BE HELD IN MARCH 1973. THE PDC HAS SET THE TARGET DATE OF 15 APRIL FOR COMPLETING SELECTION OF ALL THEIR DEPUTY AND SENATORIAL CANDIDATES, AFTER WHICH DATE PARTY ORGANIZATION AND CAMPAIGN ACTIVITY WILL COMMENCE. STATION INTENDS TO PREPARE SEPARATE [REDACTED] SUBMISSION REQUESTING APPROVAL FOR FINANCIAL SUPPORT TO THE OPPOSITION POLITICAL PARTIES IN THE 1973 ELECTIONS.

20. IN ADDITION TO THE MAJOR CONGRESSIONAL ELECTIONS, ALSO FORTHCOMING ARE THE LATE APRIL ELECTIONS FOR RECTOR AT THE UNIVERSITY OF CHILE AND THE MAY ELECTIONS FOR EXECUTIVE DIRECTORATE OF THE CENTRAL UNICA DE TRABAJADORES. IN BOTH INSTANCES, AND PARTICULARLY IN THE RE-ELECTION OF RECTOR BOENINGER AT THE UNIVERSITY, THE PDC WILL BE ACTIVELY ENGAGED IN THESE CONTESTS.

1. [REDACTED]
SECRET

PAGE 7

~~SECRET~~

PAGE 8

2. FROM THE PERIOD 1 JULY 1971 THROUGH 15 MARCH 1972 THE
PROJECT HAS EXPENDED A TOTAL OF [REDACTED] THESE FUNDS,
WHICH REPRESENT THREE SEPARATE [REDACTED] APPROVALS, ARE BROKEN
DOWN AS FOLLOWS:

[REDACTED]

TOTAL [REDACTED]

FOR FY 73 THE STATION INTENDS TO PREPARE ADDITIONAL REQUESTS
FOR FINANCIAL SUPPORT TO THE OPPOSITION POLITICAL
PARTIES FOR [REDACTED] APPROVAL. ONE MAJOR REQUEST FOR THE FORTHCOMING
PROJECT YEAR WILL DEAL WITH THE MARCH 1973 CONGRESSIONAL
ELECTIONS. APART FROM THESE SPECIAL [REDACTED] FUNDING REQUESTS,
THE FOLLOWING [REDACTED] PROJECT BUDGET IS SUBMITTED FOR
HEADQUARTERS APPROVAL:

FY 73

[REDACTED]

~~SECRET~~

PAGE 8

Page ~~(s)~~ 9

DENIED IN TOTO